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**VIRGINIA TOBACCO INDEMNIFICATION
AND COMMUNITY REVITALIZATION COMMISSION**

701 East Franklin Street, Suite 501
Richmond, Virginia 23219

Southwest Economic Development Committee

Thursday, July 27, 2006
8:30 a.m.

Hotel Roanoke
Roanoke, Virginia

APPEARANCES:

- The Honorable Phillip P. Puckett, Vice Chairman
- Mr. Stephen S. Banner
- Mr. Fred M. Fields
- The Honorable Joseph P. Johnson, Jr.
- Mr. H. Ronnie Montgomery
- Mr. James C. Thompson
- Mr. Patrick Gottschalk, Secretary of Commerce & Trade

COMMISSION STAFF:

- Mr. Neal Noyes, Executive Director
- Mr. Ned Stephenson, Director of Strategic Investments

1 Mr. Timothy Pfohl, Grants Program Administration Manager

2 Ms. Sarah Griffith, Grants Coordinator, Southwest Virginia

3 Ms. Stephanie Wass, Director of Finance

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6 OFFICE OF THE ATTORNEY GENERAL

7 Mr. Francis N. Ferguson, Deputy Attorney General, Counsel for the
8 Commission

9 Ms. Stephanie Hamlett, Senior Assistant Attorney General, Bond Counsel

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14 SENATOR PUCKETT: I'll call the meeting to
15 order. Delegate Kilgore may show up here in a few minutes, and if he does,
16 he'll take over. Let's go ahead and start, because we've got some things we
17 need to do before the full Commission meeting.

18 Can we have a roll call?

19 MR. NOYES : Mr. Banner?

20 MR. BANNER: Here.

21 MR. NOYES : Mr. Fields?

22 MR. FIELDS: Here.

23 MR. NOYES : Secretary Gottschalk?

24 SECRETARY GOTTSCHALK: Here.

25 MR. NOYES : Delegate Johnson?

DELEGATE JOHNSON: Here.

1 MR. NOYES : Delegate Kilgore?

2 DELEGATE KILGORE: (No response.)

3 MR. NOYES : Mr. Montgomery?

4 MR. MONTGOMERY: Here.

5 MR. NOYES : Senator Puckett?

6 SENATOR PUCKETT: Here.

7 MR. NOYES : Mr. Thompson?

8 MR. THOMPSON: Here.

9 MR. NOYES : Senator Wampler?

10 MR. NOYES : Senator Wampler may call us, and
11 I'm not sure if he'll be able to do that.

12 SENATOR PUCKETT: I think most of you know,
13 Senator Wampler has had some surgery about two weeks ago, or maybe a
14 little longer than two weeks ago, but the last information I had is that he was
15 doing very well. He had a disk problem in his neck, and they went in and
16 took that out and replaced it with some kind of --- rod or something. I've
17 talked to him since the surgery, and I talked to Phyllis, and she said he is
18 doing well. He can't talk, and that's good. Let the record show that that's
19 only temporary. I think he is doing well, and he is going to join us if he can.

20 MR. NOYES: Mr. Chairman, we have a quorum.

21 SENATOR PUCKETT: Thank you.

22 The next item on our Agenda is approval of the Minutes of the
23 April 24th meeting. I think you all have those in front of you, and I would
24 entertain a motion.

25 MR. THOMPSON: So move.

1 MR. BANNER: Second.

2 SENATOR PUCKETT: It's been moved and
3 seconded that we approve the Minutes of the April 24th meeting. All those
4 in favor say aye? (Ayes.) Opposed, like sign? (No response.) The Minutes
5 are approved.

6 The next item on the Agenda are applications that were tabled at
7 the April 24th meeting. I think you're familiar with both of those. The first
8 one on the Agenda is the Russell County IDA - Southwest Virginia
9 Technology Center. If you'll recall, we had a recommendation on the grant
10 from Staff that it be approved in the amount of \$500,000. There was a
11 question that came up about how we were going to operate the center. This
12 money is basically for capital buildout of the center. I think we're prepared
13 to provide that information this morning and take some action on approving.
14 I think, and somebody can correct me on this if I'm wrong, it's now 475,000
15 something, and we cut all the grants five percent, or something like that. Is
16 that right, Tim?

17 MR. PFOHL: Yes, sir.

18 SENATOR PUCKETT: I believe Larry Carr is
19 here to speak to that.

20 MR. CARR: Good morning. We've worked out a
21 deal with the University of Virginia at Wise to operate the center. They will
22 teach most of the classes, and they're also trying to work out and get a
23 memorandum of understanding with the Higher Education Center in
24 Abingdon and the Southwest Community College, and they will decide on
25 who is going to teach what classes.

1 The Industrial Development Authority has developed an
2 operating budget of 223,000 a year. I think most of you have copies of that.

3 SENATOR PUCKETT: We have copies.

4 MR. CARR: In the contract we have with the
5 University of Virginia at Wise we will provide this service for three years,
6 and at such time then they may start picking up some of the costs. The part
7 we have in there for staff we may actually have to change a little bit, because
8 they said they had some existing staff people that actually live in the Town
9 of Lebanon that they might be able to use in that facility.

10 I think we've answered the questions you had at the April 24th
11 meeting.

12 SENATOR PUCKETT: Does anyone have a
13 question about the ongoing operation? We're trying to put a package
14 together on the buildout, the 475,000 that was tabled, part of that package.
15 If we're not successful in doing that, then the Tobacco Commission piece
16 would not be available until we complete the entire package for the buildout,
17 which is what we understand, I think.

18 DELEGATE JOHNSON: Do you need a motion?

19 SENATOR PUCKETT: Yes.

20 DELEGATE JOHNSON: So move.

21 SENATOR PUCKETT: It's been moved and
22 seconded, any question about the motion that's been made? All those in
23 favor of the motion, aye? (Ayes.) Opposed, like sign? (No response.)

24 MR. THOMPSON: Mr. Vice Chairman, I'd like
25 the record to note that I abstained, to avoid a potential conflict.

1 education, just to get on the phone and talk to people. That sort of thing is
2 very important for us. In Southwest Virginia we have some people that can't
3 do certain skills, and technical skills are not really necessary for these jobs,
4 so that's something else we look at.

5 I appreciate your helping us, and if you have any questions, I'll
6 be glad to answer them.

7 SENATOR PUCKETT: Any questions for Tim?
8 In the grant request you'll see this has been described already.

9 MR. FIELDS: Tim, when they move into the
10 Patriot Center, you're saying there will be 135 jobs open there?

11 MR. LONG: New jobs, it'll be a total of, there are
12 currently 65, and now they're going to add another 135 new jobs projected,
13 another contract that will be received there. So they're projecting 200 new
14 jobs by the end of 2007.

15 MR. FIELDS: They're willing to accept this
16 performance agreement?

17 MR. LONG: Yes, that's one thing we stipulated
18 from the very beginning, and there's no problem with the performance
19 agreement.

20 SENATOR PUCKETT: Any other questions?

21 MR. BANNER: I move we approve this.

22 DELEGATE JOHNSON: I'll second it.

23 SENATOR PUCKETT: It's been moved and
24 seconded. Any questions about the project?

25 MR. FIELDS: Mr. Chairman, I'd just like to make

1 a comment about that. I'm in agreement with this and the Staff
2 recommendation. That's a small amount for that many jobs and that much
3 money coming in. That's the kind of thing I would guess this whole
4 Commission is looking for, to put in a small amount and get 135 new jobs. I
5 wouldn't give up on the second part of this. It's a viable thing, and I think it's
6 a small amount of money that we put into getting 135 jobs.

7 That's just a comment I wanted to make. I agree with the Staff
8 recommendation.

9 SENATOR PUCKETT: Any other questions?
10 Keep in mind again, we cut every grant five percent, and the figure we're
11 actually looking at is 237,500 instead of the 250. Everyone clear on that? If
12 there are no other questions or comments, I would ask for a motion.

13 DELEGATE JOHNSON: You've got a motion and
14 a second.

15 SENATOR PUCKETT: We've got a motion and a
16 second. All those in favor, signify by saying aye? (Ayes.) All opposed, like
17 sign? (No response.)

18 MR. LONG: I appreciate the opportunity to be
19 here.

20 SENATOR PUCKETT: Thank you, Tim.

21 The next item on the Agenda is the meeting date, Tuesday, April
22 24th, 2007. The only question I have is, do you think the General Assembly
23 will be out of session by then? Put that on your calendar, and also note the
24 application deadline is March 1st for the new applications, 2007. If you
25 have people in your service area that you know are interested in making an

1 application to the Southwest Economic Development Committee, make sure
2 that they're aware of the application deadline.

3 That brings us to public comments. Anyone in the audience
4 like to make a comment? Observing that there is no one in the public that
5 wishes to comment, I'll entertain a motion we adjourn.

6 DELEGATE JOHNSON: So move.

7 MR. BANNER: Second.

8 SENATOR PUCKETT: We're adjourned.

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10 PROCEEDINGS CONCLUDED.

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13 CERTIFICATE OF THE COURT REPORTER

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16 I, Medford W. Howard, Registered Professional
17 Reporter and Notary Public for the State of Virginia at large, do hereby
18 certify that I was the court reporter who took down and transcribed the
19 proceedings of the **Virginia Tobacco Indemnification and Community**
20 **Revitalization Commission Southwest Economic Development**
21 **Committee Meeting when held on Thursday, July 27, 2006 at**
22 **8:30 a.m. at the Hotel Roanoke, Roanoke, Virginia.**

23 I further certify this is a true and accurate transcript
24 to the best of my ability to hear and understand the proceedings.

25 Given under my hand this 3rd day of August,

1 2006.

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Medford W. Howard

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Registered Professional Reporter

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Notary Public for the State of Virginia at Large

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12 My Commission Expires: October 31, 2006.

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